

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6701

BILL NUMBER: SB 210

NOTE PREPARED: Dec 26, 2003

BILL AMENDED:

SUBJECT: Qualification of Assessing Personnel.

FIRST AUTHOR: Sen. Young R Michael

FIRST SPONSOR:

BILL STATUS: As Introduced

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill prohibits payment for data gathering or property valuation in a reassessment to an individual who is not a Level I assessor-appraiser, except payment of the salary of an assessing official for those purposes for not more than one year immediately after the official takes office.

Effective Date: July 1, 2004.

Explanation of State Expenditures: Under current law, the Department of Local Government Finance (DLGF) must develop a standard contract or standard provisions for contracts to be used in securing professional appraising services. Under the proposal the DLGF standards must include a provision that indicates that for contracts that apply after December 31, 2005, local units must include a provision in the contract stipulating that the contractor will not pay compensation to an individual for data gathering or property valuation unless the individual is at least a Level I assessor-appraiser. The DLGF will incur additional administrative expenses associated with notifying local units of the additional standard. However, the DLGF should be able to absorb any additional expenses given its current budget and resources.

Explanation of State Revenues:

Explanation of Local Expenditures: For contracts that apply after December 31, 2005, local units may not pay an individual for data gathering or for property valuation unless the individual is at least a Level I assessor-appraiser. Money assigned to a property reassessment fund may not be used to pay for personnel or contractual services for an individual for data gathering or property valuation unless the person is at least a Level I assessor-appraiser. An appropriation from the fund may be used to pay the salary of an assessing official who is not at least a Level I assessor-appraiser for not more than one year immediately after the

assessing official takes office.

Under current law, each county officer, consolidated city and county officer, and township assessor must prepare an itemized estimate of the amount of money required for the assessor's office for the next calendar year. For payments after December 31, 2005, the budget estimate may not include money to pay for personnel or contractual services unless the individual is at least a Level I assessor-appraiser. A budget estimate may include money to pay the salary of an assessing official who is not at least a Level I assessor-appraiser for not more than one year immediately after the assessing official takes office.

The above provisions could increase costs to local units to the extent that employing or contracting with an individual with higher qualifications may require additional compensation. Also, local officials without the appropriate certification may wish to attend training. The local assessing official could be reimbursed by the local unit for travel and per diem associated with attending training.

Background Information: Assessors are currently required to maintain either Level I or Level II certification. The DLGF certifies the assessors. Assessing officials must earn 30 hours of education within a 4-year period to be certified as a Level I assessor. Officials must complete 45 hours of education within a 4-year period to be certified as a Level II assessor. The DLGF offers training and certification at no cost to the assessor. Education may also be earned at training offered by approved entities. Participants in the training offered by the DLGF are responsible for travel and associated costs which may be paid by the sponsoring governmental unit.

The next reassessment will begin in 2007 and must be completed by March 1, 2009. This reassessment will be the basis for taxes payable in 2010.

Explanation of Local Revenues:

State Agencies Affected: Department of Local Government Finance.

Local Agencies Affected: Counties, Townships, and a Consolidated City and County.

Information Sources:

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